



## Third Taxing District

2 Second Street  
East Norwalk, CT 06855

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### Third Taxing District of the City of Norwalk

#### Commission Meeting

**Monday, July 27, 2020 at 6:30p.m.**

Meeting to be Held Via ZOOM and/or Phone Conference

ZOOM: Meeting ID – 989 2128 5292; PW – 441713 OR

Phone: 929-205-6099; ID: 989 2128 5292; PW 441713

1. Public Comment – 15 Minute Limit
2. Minutes of Meeting – June 22, 2020 Regular Meeting – A/R (Pgs. 1-5)
3. Discussion/Analysis of Financial Statements/Key Performance Indicators (Pgs. 6-12)
4. CMEEC Equity Distribution (Pgs. 13-15)
5. COVID-19 Update
6. General Manager's Report
7. Adjourn

\*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, [www.ttd.gov](http://www.ttd.gov) and will be available at the meeting.

M:\Shared\ Commission Meeting Information\Agenda 7-27-2020.doc

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#### *District Commissioners*

**Johnnie Mae Weldon**

203-216-2652

Chairperson

**Pamela Parkington**

203-858-4261

Commissioner

**Michele Sweeney**

203-820-3107

Commissioner

**Kevin Barber**

203-866-9271

General Manager

**Ron Scofield**

203-866-9271

Assistant General Manager

**Read Auerbach**

203-451-7047

Treasurer

DRAFT

**THIRD TAXING DISTRICT**  
of the City of Norwalk  
ZOOM/Telephonic Commission Meeting  
June 22, 2020

**ATTENDANCE:** Commissioners: Johnnie Mae Weldon, Chair; Michele Sweeney,  
Pamela Parkington

**STAFF:** Kevin Barber, General Manager  
Ron Scofield, District Clerk & Assistant General Manager

**OTHERS:** Peter Johnson, CMEEC Ratepayer Representative (6:45 p.m.)

The Commission Meeting of June 22, 2020 was held via ZOOM and telephonically. All participants could hear and be heard.

**CALL TO ORDER**

Commissioner Weldon called the meeting to order at 6:32 p.m. A quorum was present.

**PUBLIC COMMENT**

No one from the public was in attendance to comment.

**MINUTES OF MEETING**

June 8, 2020 Special Meeting

**\*\* COMMISSIONER PARKINGTON MOVED TO APPROVE THE MINUTES OF  
JUNE 8, 2020 SPECIAL MEETING.**

**\*\* COMMISSIONER SWEENEY SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

Third Taxing District  
of the City of Norwalk  
June 22, 2020

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**DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE INDICATORS**

Mr. Barber reviewed the Financial Highlights with the Commission for May 2020. Total Income is \$8,479,451 versus \$9,052,570 for last year, a difference of (6.33%). Total Expense is \$8,503,080 versus \$8,869,761 for last year, a difference of (4.13%). Net Income before Rate Stabilization is \$226,317 versus \$817,470 from last year or a difference of (72%). Year-to-Date Net Income is \$26,801 versus \$363,577 for last year, a difference of (93%).

Total cash balance on hand is \$6,240,305. Of this, the Capital Improvement Fund is \$2,311,930. Current outstanding principal balance with CMEEC is \$3,301,523. Current Fiscal Year Capital Additions to date is \$765,454.

Mr. Barber reviewed the P&L for the Operating account. Commercial Sales are down and Residential Sales are up which is associated with the COVID-19 pandemic.

The P&L for the District account is on target.

KPI's: Mr. Barber reviewed the KPI's with the Commission and they remain consistent. He did point out that #3 Outstanding Receivables (greater than 90 days) is increasing and probably will continue to increase due to the COVID-19 pandemic. Messrs. Barber and Scofield are continuing to track the receivables.

PCA: The current balance of the RSF (Rate Stabilization Fund) is \$3,797,616 and is in a downward trend through the next year and then will begin an upward trend. With the reduction of the PCA to zero to assist TTD's customers during the pandemic, the CMEEC billable rate was adjusted to \$67/megawatt for the next three months.

**PENSION COMMITTEE REPORT**

Staff met with Hooker and Holcombe on May 12, 2020 to review the pension fund. The market has started to bounce back but is not where it was at the beginning of the pandemic. Hooker and Holcombe are very optimistic that the investments will weather the storm. The next meeting is scheduled for July.

**185 LIBERTY SQUARE – CT DOT PROPERTY ACQUISITION**

Mr. Barber reviewed with the Commission the property acquisition at 185 Liberty Square (Constitution Park) by the CT DOT. The property that they are looking to acquire is for the following purposes:

- Mitigation Easements: Easement for compensatory wetland mitigation of invasive species. Area consists of two locations totaling 3,799 sq. ft. along the property line mean high water line. These two sections are in the “Vegetated Area” along the water line.
- Defined Access Easement: Easement for the purpose of access from Goldstein Place to wetland mitigation easement. Area consists of two strips of property to provide access to the two mitigation areas totaling 1,556 sq ft.

The State of CT has made an offer of \$5,100 in compensation for the easements. Discussion took place about the easements and the offer.

**\*\* COMMISSIONER PARKINGTON MOVED TO ACCEPT THE COMPENSATION OFFER OF \$5,100 FROM THE STATE OF CONNECTICUT, DEPARTMENT OF TRANSPORTATION, FOR MITIGATION EASEMENTS AND DEFINED ACCESS EASEMENTS FOR 185 LIBERTY SQUARE ALSO KNOWN AS CONSTITUTION PARK, PROPERTY FILE NUMBER 301-176-045.**

**\*\* COMMISSIONER PARKINGTON FURTHER MOVED TO AUTHORIZE GENERAL MANAGER, KEVIN BARBER TO ACCEPT THE OFFER AND EXECUTE THE ACCEPTANCE AGREEMENT WITH THE STATE OF CONNECTICUT, DEPARTMENT OF TRANSPORTATION.**

**\*\* COMMISSIONER SWEENEY SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **GENERAL MANAGER’S REPORT**

#### **Concert Update**

Mr. Scofield recapped the email he sent to the Commission on June 17, 2020 informing them that the City of Norwalk, Parks and Recreation has cancelled all summer concerts due to the pandemic. Hopefully, concerts will be able to resume in 2021. Mr. Scofield has informed all the bands of the cancellation.

#### **COVID-19 Update**

Mr. Barber informed the Commission that as of June 22, 2020, the staff is back in the office full-time. Plexiglass has been added in the front office between cubicles, as well as hand sanitizers dispensers. A new security window has been ordered for the lobby for when the public will once again be allowed to enter the building. TTD is following the City of Norwalk’s phases for opening up the City.

Commissioner Weldon asked when the East Norwalk Library is scheduled to reopen. Mr. Barber said the library will be following the Norwalk Public Library opening, which is currently scheduled for Phase 4 of the City of Norwalk’s Reopening Plan.

DRAFT

**ADJOURNMENT**

**\*\* COMMISSIONER PARKINGTON MOVED TO ADJOURN.  
\*\* COMMISSIONER SWEENEY SECONDED.  
\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:14 p.m.

Respectfully submitted,

Cynthia Tenney  
Executive Assistant  
Third Taxing District

Third Taxing District  
of the City of Norwalk  
June 22, 2020

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MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.

**Third Taxing District  
Financial Highlights  
Jul-June-2020 vs. Jul-June-2019**

|                                      | Jul-June-20 | Jul-June-19 | \$ Change   | % Change |
|--------------------------------------|-------------|-------------|-------------|----------|
| Total Income                         | 9,492,701   | 10,267,887  | (775,186)   | -7.55%   |
| Total Expense                        | 9,326,369   | 9,631,537   | (305,168)   | -3.17%   |
| Net Ordinary Income                  | 166,332     | 636,350     | (470,018)   | -74%     |
| Other Income                         | 669,272     | 1,203,941   | (534,669)   | -44%     |
| Other Expense                        | 341,763     | 313,070     | 28,693      | 100%     |
| Net Income before Rate Stabilization | 493,841     | 1,527,221   | (1,033,380) | -68%     |
| Rate Stabilization                   | (297,085)   | (501,711)   | 204,626     | 41%      |
| Net Income                           | 196,756     | 1,025,510   | (828,754)   | -81%     |

**CASH BALANCES**

**ACCTS**

|                           | Jun-20       |
|---------------------------|--------------|
| Operating Accounts        | 1,895,567    |
| Savings                   | 2,303,561    |
| Capital Improvements Fund | 2,352,386    |
| Total                     | \$ 6,551,514 |

**TTD Outstanding Principal Balance with CMEEC**

|   |              |
|---|--------------|
| Balance as of July 1, 2019                    | \$ 3,439,361 |
| Current Balance                               | \$ 3,270,529 |
| Current Fiscal Year Capital Additions to date | \$ 773,556   |

**Third Taxing District**  
**Profit & Loss Budget vs. Actual**  
July 2019 through June 2020

|  | CURRENT MONTH |              |                |             | YEAR TO DATE     |               |                |             |
|--|---------------|--------------|----------------|-------------|------------------|---------------|----------------|-------------|
|  | Jun 20        | Budget       | \$ Over Budget | % of Budget | Jul '19 - Jun 20 | Budget        | \$ Over Budget | % of Budget |
| Ordinary Income/Expense                  |               |              |                |             |                  |               |                |             |
| Income                                   |               |              |                |             |                  |               |                |             |
| 443-00 · Cervallis Data Center Revenues  | 69,019.35     | 53,894.91    | 15,124.44      | 28.06%      | 330,501.19       | 294,271.00    | 36,230.19      | 12.31%      |
| 440-00 · Residential Sales               | 488,926.32    | 492,980.24   | -4,053.92      | -0.82%      | 4,035,232.02     | 4,074,625.00  | -39,392.98     | -0.97%      |
| 442-01 · Large Commercial Sales          | 76,105.72     | 105,007.28   | -28,901.56     | -27.52%     | 855,797.60       | 1,069,085.02  | -213,287.42    | -19.95%     |
| 442-02 · Small Commercial Sales          | 277,799.31    | 316,906.65   | -39,107.34     | -12.34%     | 2,564,270.34     | 2,738,269.01  | -173,998.67    | -6.35%      |
| 445-01 · Water Pollutn Contrl Pnt Sales  | 87,473.47     | 110,765.48   | -23,292.01     | -21.03%     | 969,304.02       | 1,053,956.00  | -84,651.98     | -8.03%      |
| 445-02 · Flat Rate                       | 13,921.97     | 13,962.72    | -40.75         | -0.29%      | 100,413.58       | 100,857.00    | -443.42        | -0.44%      |
| 451-00 · Miscellaneous Service Revenue   | 3.35          | 1,332.68     | -1,329.33      | -99.75%     | 12,127.00        | 12,000.00     | 127.00         | 1.06%       |
| 557-00 · Purchased Power Adjustment      | 0.00          | 87,071.88    | -87,071.88     | -100.0%     | 625,054.95       | 792,415.00    | -167,360.05    | -21.12%     |
| Total Income                             | 1,013,249.49  | 1,181,921.84 | -168,672.35    | -14.27%     | 9,492,700.70     | 10,135,478.03 | -642,777.33    | -6.34%      |
| Cost of Goods Sold                       |               |              |                |             |                  |               |                |             |
| 555-00 · Electrical Power Purchased      | 698,239.80    | 719,920.00   | 21,680.20      | 3.01%       | 4,811,790.80     | 5,196,400.00  | 384,609.20     | 7.4%        |
| Total COGS                               | 698,239.80    | 719,920.00   | 21,680.20      | 3.01%       | 4,811,790.80     | 5,196,400.00  | 384,609.20     | 7.4%        |
| Gross Profit                             | 315,009.69    | 462,001.84   | -146,992.15    | -31.82%     | 4,680,909.90     | 4,939,078.03  | -258,168.13    | -5.23%      |
| Expense                                  |               |              |                |             |                  |               |                |             |
| 904-00 · Substation                      | 13,162.64     | 15,149.99    | 1,987.35       | 13.12%      | 174,999.76       | 181,800.00    | 6,800.24       | 3.74%       |
| 403-00 · Depreciation Expense            | 71,667.00     | 71,667.00    | 0.00           | 0.0%        | 859,960.00       | 860,000.00    | 40.00          | 0.0%        |
| 408-00 · Taxes                           | 86,655.41     | 94,901.54    | 8,246.13       | 8.69%       | 389,427.27       | 388,818.45    | -608.82        | -0.16%      |
| 540-00 · Other Power Generation Expense  | 6,146.02      | 11,500.00    | 5,353.98       | 46.56%      | 85,675.51        | 138,000.00    | 52,324.49      | 37.92%      |
| 580-00 · Distribution Expenses           | 4,270.38      | 21,541.66    | 17,271.28      | 80.18%      | 209,283.03       | 258,500.00    | 49,216.97      | 19.04%      |
| 590-00 · Maintenance Expenses            | 43,250.40     | 51,345.00    | 8,094.60       | 15.77%      | 517,519.83       | 616,140.00    | 98,620.17      | 16.01%      |
| 900-00 · Customer Accounts & Service     | 46,789.20     | 29,297.92    | -17,491.28     | -59.7%      | 387,864.93       | 351,575.00    | -36,289.93     | -10.32%     |
| 920-00 · Administrative Expenses         | 162,749.30    | 190,402.10   | 27,652.80      | 14.52%      | 1,889,847.23     | 2,284,825.00  | 394,977.77     | 17.29%      |
| Total Expense                            | 434,690.35    | 485,805.21   | 51,114.86      | 10.52%      | 4,514,577.56     | 5,079,658.45  | 565,080.89     | 11.12%      |
| Net Ordinary Income                      | -119,680.66   | -23,803.37   | -95,877.29     | -402.79%    | 166,332.34       | -140,580.42   | 306,912.76     | 229.69%     |
| Other Income/Expense                     |               |              |                |             |                  |               |                |             |
| Other Income                             |               |              |                |             |                  |               |                |             |
| 418-00 · Dividends                       | 6,540.76      | 4,166.67     | 2,374.09       | 56.98%      | 75,861.35        | 50,000.00     | 25,861.35      | 51.72%      |
| 419-00 · Interest Income                 | 405.00        | 625.00       | -220.00        | -35.2%      | 12,631.01        | 7,500.00      | 5,131.01       | 68.41%      |
| 420-00 · Gain/(Loss) on Investments      | 33,915.43     | 2,500.00     | 31,415.43      | 1,256.62%   | -30,000.78       | 30,000.00     | -60,000.78     | -200.0%     |
| 421-00 · Norden Project Income           | 44,000.00     | 50,000.00    | -6,000.00      | -12.0%      | 543,271.84       | 600,000.00    | -56,728.16     | -9.45%      |
| 423-00 · Gain/(Loss) from Sale of FA     | 0.00          | 583.33       | -583.33        | -100.0%     | 1,781.25         | 7,000.00      | -5,218.75      | -74.55%     |
| 424-00 · Energy Conservation Fund Income | 12,665.68     | 12,083.33    | 582.35         | 4.82%       | 45,915.29        | 145,000.00    | -99,084.71     | -68.33%     |
| 425-00 · Miscellaneous Income            | 0.00          | 3,166.67     | -3,166.67      | -100.0%     | 19,811.77        | 38,000.00     | -18,188.23     | -47.86%     |
| Total Other Income                       | 97,526.87     | 73,125.00    | 24,401.87      | 33.37%      | 669,271.73       | 877,500.00    | -208,228.27    | -23.73%     |
| Other Expense                            |               |              |                |             |                  |               |                |             |
| 426-30 · PERSON TO PERSON                | 0.00          | 0.00         | 0.00           | 0.0%        | 20,000.00        | 20,000.00     | 0.00           | 0.0%        |
| 426-10 · Distribution to "District Fund" | 0.00          | 0.00         | 0.00           | 0.0%        | 305,773.00       | 305,773.00    | 0.00           | 0.0%        |
| 990-00 · Miscellaneous items             | 0.00          | 0.00         | 0.00           | 0.0%        | 0.00             | 0.00          | 0.00           | 0.0%        |
| 999-00 · Miscellaneous Unknown           | 0.00          | 0.00         | 0.00           | 0.0%        | 0.00             | 0.00          | 0.00           | 0.0%        |
| Total Other Expense                      | 0.00          | 0.00         | 0.00           | 0.0%        | 341,762.87       | 325,773.00    | -15,989.87     | -4.91%      |
| Net Other Income                         | 97,526.87     | 73,125.00    | 24,401.87      | 33.37%      | 327,508.86       | 551,727.00    | -224,218.14    | -40.64%     |
| Net Income                               | -22,153.79    | 49,321.63    | -71,475.42     | -144.92%    | 493,841.20       | 411,146.58    | 82,694.62      | 20.11%      |



**TTD District Fund**  
**Profit & Loss Budget vs. Actual**  
July 2019 through June 2020

|   | CURRENT MONTH |            |                |             | YEAR TO DATE     |            |                |             |
|---|---------------|------------|----------------|-------------|------------------|------------|----------------|-------------|
|   | Jun 20        | Budget     | \$ Over Budget | % of Budget | Jul '19 - Jun 20 | Budget     | \$ Over Budget | % of Budget |
| Ordinary Income/Expense                 |               |            |                |             |                  |            |                |             |
| Income                                  |               |            |                |             |                  |            |                |             |
| 980-02 · INTEREST INCOME                | 27.00         | 27.08      | -0.08          | -0.3%       | 358.13           | 325.00     | 33.13          | 10.19%      |
| 980-05 · FIRE HOUSE RENT                | 0.00          | 0.00       | 0.00           | 0.0%        | 44,052.00        | 44,052.00  | 0.00           | 0.0%        |
| 980-10 · FUNDING FROM ELECTRIC          | 0.00          | 0.00       | 0.00           | 0.0%        | 305,773.00       | 305,773.00 | 0.00           | 0.0%        |
| Total Income                            | 27.00         | 27.08      | -0.08          | -0.3%       | 350,183.13       | 350,150.00 | 33.13          | 0.01%       |
| Expense                                 |               |            |                |             |                  |            |                |             |
| 980-12 · FEES- COMMISSIONERS            | 2,625.00      | 2,625.00   | 0.00           | 0.0%        | 10,500.00        | 10,500.00  | 0.00           | 0.0%        |
| 980-14 · FEES-CLERKS                    | 450.00        | 450.00     | 0.00           | 0.0%        | 1,800.00         | 1,800.00   | 0.00           | 0.0%        |
| 980-16 · FEES-TREASURER                 | 450.00        | 450.00     | 0.00           | 0.0%        | 1,800.00         | 1,800.00   | 0.00           | 0.0%        |
| 980-17 · Fees - Rate Payer Rep          | 450.00        | 450.00     | 0.00           | 0.0%        | 1,800.00         | 1,800.00   | 0.00           | 0.0%        |
| 980-19 · PAYROLL EXPENSES               | 269.68        | 325.00     | 55.32          | 17.02%      | 1,273.14         | 1,300.00   | 26.86          | 2.07%       |
| 980-20 · PARKS MAINTENANCE              | 8,765.48      | 2,166.67   | -6,598.81      | -304.56%    | 25,180.06        | 26,000.00  | 819.94         | 3.15%       |
| 980-30 · EAST NORWALK CEMETERY ASS'N    | 3,124.14      | 1,970.83   | -1,153.31      | -58.52%     | 35,279.50        | 30,150.00  | -5,129.50      | -17.01%     |
| 980-34 · Library - Master Plan          | 0.00          | 500.00     | 500.00         | 100.0%      | 0.00             | 6,000.00   | 6,000.00       | 100.0%      |
| 980-35 · EAST NORWALK IMP ASSOC LIBRARY | 1,197.95      | 3,166.67   | 1,968.72       | 62.17%      | 184,169.11       | 188,000.00 | 3,830.89       | 2.04%       |
| 980-40 · CHRISTMAS TREE LIGHTING        | 0.00          | 0.00       | 0.00           | 0.0%        | 3,815.65         | 6,800.00   | 2,984.35       | 43.89%      |
| 980-45 · FIREHOUSE EXPENSES             | 450.00        | 1,833.34   | 1,383.34       | 75.45%      | 1,235.00         | 22,000.00  | 20,765.00      | 94.39%      |
| 980-55 · CONCERTS IN THE PARK           | 0.00          | 0.00       | 0.00           | 0.0%        | 26,020.00        | 35,640.00  | 9,620.00       | 26.99%      |
| 980-70 · ANNUAL MEETING EXPENSES        | 0.00          | 0.00       | 0.00           | 0.0%        | 2,789.20         | 6,000.00   | 3,210.80       | 53.51%      |
| 980-90 · CONTINGENCY EXPENSES           | 0.00          | 2,500.00   | 2,500.00       | 100.0%      | 0.00             | 30,000.00  | 30,000.00      | 100.0%      |
| 980-95 · Other District Services        | 0.00          | 181.81     | 181.81         | 100.0%      | 9,200.00         | 10,000.00  | 800.00         | 8.0%        |
| Total Expense                           | 17,782.25     | 16,619.32  | -1,162.93      | -7.0%       | 304,861.66       | 377,790.00 | 72,928.34      | 19.3%       |
| Net Ordinary Income                     | -17,755.25    | -16,592.24 | -1,163.01      | -7.01%      | 45,240.47        | -27,640.00 | 72,880.47      | 263.68%     |
| Net Income                              | -17,755.25    | -16,592.24 | -1,163.01      | -7.01%      | 45,240.47        | -27,640.00 | 72,880.47      | 263.68%     |

THIRD TAXING DISTRICT  
KEY PERFORMANCE INDICATORS (KPI'S)  
June

|   | Formula   | 2020  | 2019        | Industry Average<br>(Bandwidth) | Comments                |  |
|---|---|---|-------------|---------------------------------|-------------------------|--|
| 1) <b>OPERATING RATIO</b> - This ratio measures the proportion of revenues required to cover the operation and maintenance costs associated with the operation of the electric utility. |   |   |             |                                 |                         |  |
| a.  | Operating Ratio - without Change in Rate Stabilization Fund           | Total Operating Expenses / Total Operating Revenues                 | 98.25%      | 93.80%                          | 95-105%                 | Calculation is based on the CMEEC billable rate that is set by TTD   |
| b.  | Operating Ratio - with Change in Rate Stabilization Fund              | Total Operating Expenses + Change in RSF / Total Operating Revenues | 101.38%     | 98.69%                          | 95-105%                 | Reflects the true total operating expenses by including the change (+/-) in the rate stabilization fund.           |
| 2) <b>POWER SUPPLY EXPENSE RATIO</b> - This ratio measures the proportion of the total operating expenses that is for power supply (purchased power)                                    |   |   |             |                                 |                         |  |
| 2) a.   | Power Supply Expense Ratio - without Change in Rate Stabilizaion Fund | Purchased Power / Total Operating Expenses                          | 51.59%      | 53.99%                          | 65% - 70%               | Calculation is based on the CMEEC billable rate that is set by TTD   |
| b.  | Power Supply Expense Ratio - with Change in Rate Stabilizaion Fund    | Purchased Power + Change in RSF / Total Operating Expenses          | 54.78%      | 59.20%                          | 65% - 70%               | Reflects the true total operating expenses by including the change (+/-) in the rate stabilization fund.           |
| 3) <b>OUTSTANDING RECEIVABLES</b> - Total amount of outstanding receivables greater than 90 days past due   |   |   |             |                                 |                         |  |
| a.  | Outstanding Receivables - Dollars                                     | Total (\$) Outstanding Receivables > 90 days                        | \$47,775    | \$34,964                        |                         | Indicates if TTD is doing an adequate job of collecting past due receivables                                       |
| b.  | Percentage of total receivables                                       | Receivables > 90 days past due / total receivables                  | 9.96%       | 5.23%                           |                         | Indicates the percentage of receivables that is greater than 90 days past due                                      |
| 4) <b>RATE OF RETURN</b> - Year to Date (YTD) Net income divided by audited Net Book Value of Assets  |   |   |             |                                 |                         |  |
|   | Actual Rate of Return on Rate Base                                    | AUTHORIZED BY STATE STATUTE   | 1.6%        | 11.9%                           | Varies by state 5 - 8 % | Rate of Return authorized by State statute   |
| 5) <b>RATE STABILIZATION FUND</b> - this index lists the balance of the rate stabilization fund held for TTD at CMEEC   |   |   |             |                                 |                         |  |
|   | Rate Stabilization Fund balance                                       | RSF Balance   | \$3,733,606 | \$ 3,746,703                    | \$2.75MM -\$3.0MM       | Commission approved the target balance, which is based on a RSF balance ot cover 6 months of power bills           |
| 7) <b>ENERGY LOSS %</b> - This ratio measures how much energy is lost in the utility's electrical system and is an indicator of the efficiency of the electrical system.                |   |   |             |                                 |                         |  |
|   | Energy Loss %   | Total Energy Losses/Total Sources of Energy                         | 1.32%       | 5.25%                           | 2.5% - 6%               | This ratio is calculated on a 12 month rolling average of electricy purchased compared to energy sold to customers |

# East Norwalk - PCA Calculation

## Power Cost Adjustment Calculation

6 Month Rolling Average (starting January 2014)

Yellow indicates Forecast

Orange indicates data is from the preliminary CMEEC monthly bill, numbers will change when the "true up" numbers are available from CMEEC

Green indicates the final numbers have been entered for the month.

Colors will change when actual numbers are received.

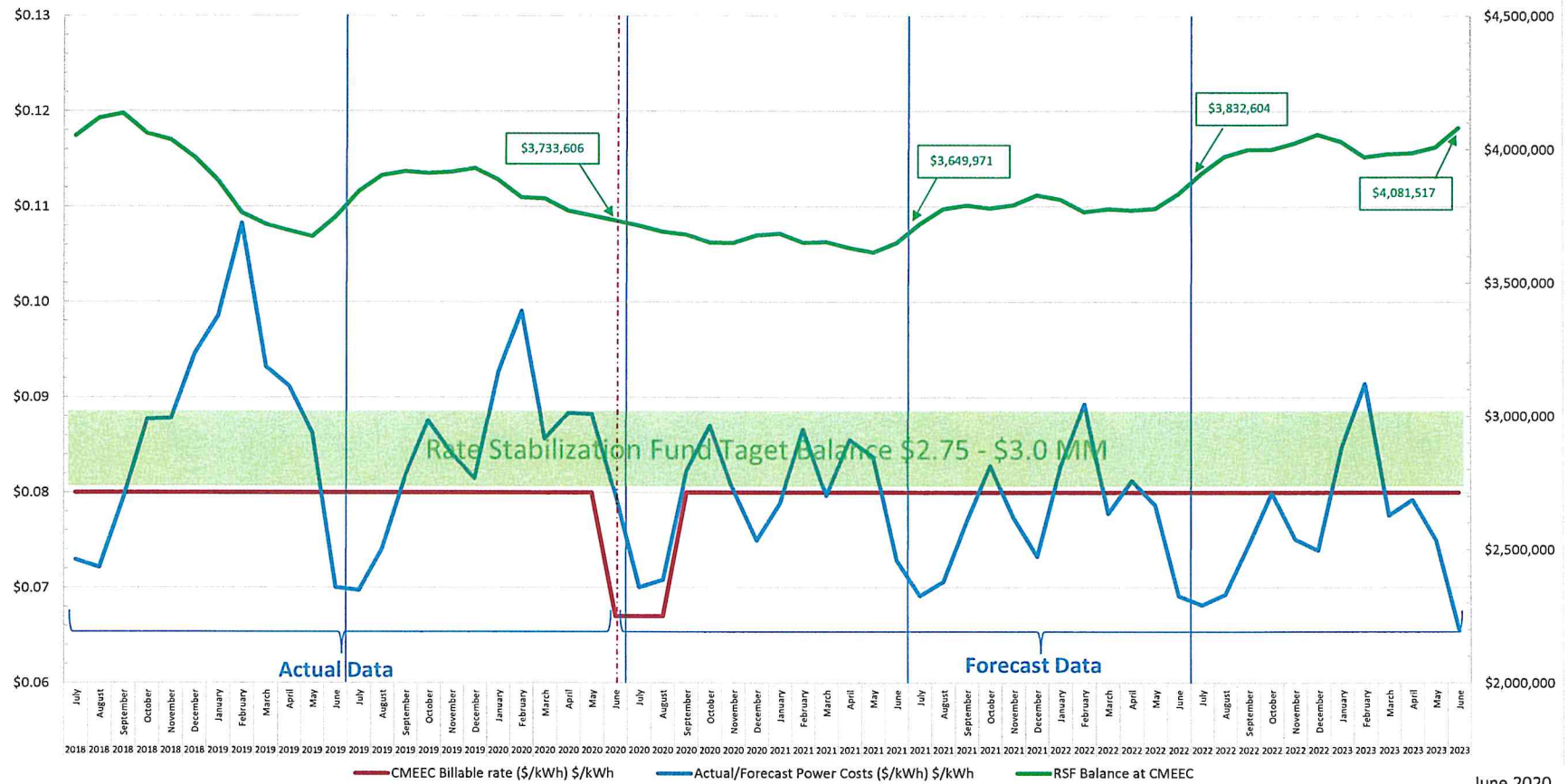
|  |        | 2019<br>July | 2019<br>August | 2019<br>September | 2019<br>October | 2019<br>November | 2019<br>December | 2020<br>January | 2020<br>February | 2020<br>March | 2020<br>April | 2020<br>May  | 2020<br>June  |
|--|--------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|--------------|---------------|
| Total Energy                                 | kWh    |              |                |                   |                 |                  |                  |                 |                  |               |               |              |               |
| CMEEC Billable rate (\$/kWh)                 | \$/kWh | 0.08000      | 0.08000        | 0.08000           | 0.08000         | 0.08000          | 0.08000          | 0.08000         | 0.08000          | 0.08000       | 0.08000       | 0.08000      | 0.06700       |
| h Grand Total (Actual) Purchased Power Costs | \$     | \$ 468,429   | \$ 434,499     | \$ 371,651        | \$ 349,434      | \$ 379,753       | \$ 439,144       | \$ 480,816      | \$ 465,282       | \$ 385,052    | \$ 383,395    | \$ 347,065   | \$ 401,973    |
| i (Sum of current and previous 5 months)     | \$     | 2,566,035    | 2,453,066      | 2,355,558         | 2,337,972       | 2,340,901        | 2,442,910        | 2,455,296       | 2,486,080        | 2,499,481     | 2,533,442     | 2,500,755    | 2,463,584     |
| j kWh's Purchased                            | kWh    |              |                |                   |                 |                  |                  |                 |                  |               |               |              |               |
| l Total Purchased Power kWh Units            | kWh    | 6,719,686    | 5,864,470      | 4,546,195         | 3,991,704       | 4,512,269        | 5,388,270        | 5,192,395       | 4,697,924        | 4,496,172     | 4,340,418     | 3,934,536    | 5,036,628     |
| m (Sum of current and previous 5 months)     | kWh    | 30,021,522   | 30,829,487     | 30,340,703        | 30,306,306      | 30,449,847       | 31,022,594       | 29,495,303      | 28,328,757       | 28,278,734    | 28,627,448    | 28,049,715   | 27,698,073    |
| Actual/Forecast Power Costs (\$/kWh)         | \$/kWh | 0.06971      | 0.07409        | 0.08175           | 0.08754         | 0.08416          | 0.0815           | 0.0926          | 0.09904          | 0.08564       | 0.08833       | 0.08821      | 0.07981       |
| n Power (Actual) Supply Costs @ Retail       | \$     | 0.0903       | 0.0840         | 0.0820            | 0.0815          | 0.0812           | 0.0832           | 0.0879          | 0.0927           | 0.0933        | 0.0935        | 0.0941       | 0.0939        |
| o Base Fuel Cost                             | \$     | 0.0958       | 0.0958         | 0.0958            | 0.0958          | 0.0958           | 0.0958           | 0.0958          | 0.0958           | 0.0958        | 0.0958        | 0.0958       | 0.0958        |
| p Loss Factor                                | %      | 5.6%         | 5.6%           | 5.6%              | 5.6%            | 5.6%             | 5.6%             | 5.6%            | 5.6%             | 5.6%          | 5.6%          | 5.6%         | 5.6%          |
| q Calculated PCA                             | \$     | (0.0055)     | (0.0118)       | (0.0138)          | (0.0143)        | (0.0146)         | (0.0126)         | (0.0079)        | (0.0031)         | (0.0025)      | (0.0023)      | (0.0017)     | (0.0019)      |
| r Actual PCA Implemented                     | \$     | \$ 0.0130    | \$ 0.0130      | \$ 0.0130         | \$ 0.0130       | \$ 0.0130        | \$ 0.0130        | \$ 0.0130       | \$ 0.0130        | \$ 0.0130     | \$ 0.0130     | \$ 0.0130    | \$ -          |
| s Total System Retail Sales (kWh's)          | kWh    | 5,389,759    | 6,481,248      | 5,226,901         | 3,764,083       | 4,008,705        | 3,965,248        | 5,705,665       | 4,864,330        | 3,890,014     | 4,150,761     | 3,821,305    | 3,633,697     |
| t Base PCA Revenue                           | \$     | 516,339      | 620,904        | 500,737           | 360,599         | 384,034          | 379,871          | 546,603         | 466,003          | 372,663       | 397,643       | 366,081      | 348,108       |
| u Fuel Factor Revenue                        | \$     | 70,067       | 84,256         | 67,950            | 48,933          | 52,113           | 51,548           | 74,174          | 63,236           | 50,570        | 53,960        | 49,677       | -             |
| v Total Revenues through PCA                 | \$     | 586,406      | 705,160        | 568,687           | 409,532         | 436,147          | 431,419          | 620,776         | 529,239          | 423,234       | 451,603       | 415,758      | 348,108       |
| w Difference of Collection vs Expense        | \$     | \$ 6,763,569 | \$ 7,034,231   | \$ 7,231,266      | \$ 7,291,364    | \$ 7,347,759     | \$ 7,340,034     | \$ 7,479,994    | \$ 7,543,951     | \$ 7,582,133  | \$ 7,650,340  | \$ 7,719,032 | \$ 7,665,167  |
| Over collect / (Under Collect) in each month |        | \$117,976.47 | \$270,661.15   | \$197,035.39      | \$60,098.45     | \$56,394.53      | (\$7,725.04)     | \$139,960.56    | \$63,956.70      | \$38,181.36   | \$68,207.37   | \$68,692.56  | (\$53,865.11) |
| RSF Balance at CMEEC                         |        | 3,842,752.00 | 3,902,439.00   | 3,917,760.00      | 3,910,981.00    | 3,914,820.00     | 3,929,448.00     | 3,886,661.00    | 3,819,573.00     | 3,815,803.00  | 3,770,821.00  | 3,752,295.00 | 3,733,606.00  |
| Diff between Billed Rate and Actual Cost     | \$     | 0.01029      | 0.00591        | (0.00175)         | (0.00754)       | (0.00416)        | (0.00150)        | (0.01260)       | (0.01904)        | (0.00564)     | (0.00833)     | (0.00821)    | (0.01281)     |
| Affect on RSF - by Month                     | \$     | 69,145.57    | 34,659.02      | (7,955.84)        | (30,097.45)     | (18,771.04)      | (8,082.41)       | (65,424.18)     | (89,448.47)      | (25,358.41)   | (36,155.68)   | (32,302.54)  | (64,519.20)   |



**East Norwalk - PCA Calculation**  
Power Cost Adjustment Calculation  
6 Month Rolling Average (starting January 2014)

|  |            | 2020<br>July | 2020<br>August | 2020<br>September | 2020<br>October | 2020<br>November | 2020<br>December | 2021<br>January | 2021<br>February | 2021<br>March | 2021<br>April | 2021<br>May  | 2021<br>June |
|--|------------|--------------|----------------|-------------------|-----------------|------------------|------------------|-----------------|------------------|---------------|---------------|--------------|--------------|
| <b>Total Energy</b>                          | <b>kWh</b> |              |                |                   |                 |                  |                  |                 |                  |               |               |              |              |
| CMEEC Billable rate (\$/kWh)                 | \$/kWh     | 0.06700      | 0.06700        | 0.08000           | 0.08000         | 0.08000          | 0.08000          | 0.08000         | 0.08000          | 0.08000       | 0.08000       | 0.08000      | 0.08000      |
| h Grand Total (Actual) Purchased Power Costs | \$         | \$ 453,806   | \$ 423,727     | \$ 392,800        | \$ 359,139      | \$ 364,709       | \$ 406,892       | \$ 458,009      | \$ 432,922       | \$ 403,516    | \$ 354,325    | \$ 362,436   | \$ 364,021   |
| i (Sum of current and previous 5 months)     | \$         | 2,436,575    | 2,395,020      | 2,402,768         | 2,378,511       | 2,396,155        | 2,401,074        | 2,405,277       | 2,414,471        | 2,425,187     | 2,420,373     | 2,418,101    | 2,375,229    |
| j kWh's Purchased                            | kWh        |              |                |                   |                 |                  |                  |                 |                  |               |               |              |              |
| l Total Purchased Power kWh Units            | kWh        | 6,482,020    | 5,984,004      | 4,775,684         | 4,127,085       | 4,545,226        | 5,428,850        | 5,809,351       | 4,996,788        | 5,066,748     | 4,143,186     | 4,327,596    | 4,997,542    |
| m (Sum of current and previous 5 months)     | kWh        | 28,987,698   | 30,273,778     | 30,553,290        | 30,339,957      | 30,950,647       | 31,342,869       | 30,670,200      | 29,682,984       | 29,974,049    | 29,990,149    | 29,772,520   | 29,341,212   |
| Actual/Forecast Power Costs (\$/kWh)         | \$/kWh     | 0.07001      | 0.07081        | 0.08225           | 0.08702         | 0.08024          | 0.07495          | 0.07884         | 0.08664          | 0.07964       | 0.08552       | 0.08375      | 0.07284      |
| n Power (Actual) Supply Costs @ Retail       | \$         | 0.0888       | 0.0835         | 0.0830            | 0.0828          | 0.0818           | 0.0809           | 0.0828          | 0.0859           | 0.0854        | 0.0852        | 0.0858       | 0.0855       |
| o Base Fuel Cost                             | \$         | 0.0958       | 0.0958         | 0.0958            | 0.0958          | 0.0958           | 0.0958           | 0.0958          | 0.0958           | 0.0958        | 0.0958        | 0.0958       | 0.0958       |
| p Loss Factor                                | %          | 5.6%         | 5.6%           | 5.6%              | 5.6%            | 5.6%             | 5.6%             | 5.6%            | 5.6%             | 5.6%          | 5.6%          | 5.6%         | 5.6%         |
| q Calculated PCA                             | \$         | (0.0070)     | (0.0123)       | (0.0128)          | (0.0130)        | (0.0140)         | (0.0149)         | (0.0130)        | (0.0099)         | (0.0104)      | (0.0106)      | (0.0100)     | (0.0103)     |
| r Actual PCA Implemented                     | \$         | \$ -         | \$ -           | \$ 0.0130         | \$ 0.0130       | \$ 0.0130        | \$ 0.0130        | \$ 0.0130       | \$ 0.0130        | \$ 0.0130     | \$ 0.0130     | \$ 0.0130    | \$ 0.0130    |
| s Total System Retail Sales (kWh's)          | kWh        | 6,119,027    | 5,648,900      | 4,508,246         | 3,895,968       | 4,290,693        | 5,124,835        | 5,484,028       | 4,716,968        | 4,783,010     | 3,911,168     | 4,085,251    | 4,717,680    |
| t Base PCA Revenue                           | \$         | 586,203      | 541,165        | 431,890           | 373,234         | 411,048          | 490,959          | 525,370         | 451,886          | 458,212       | 374,690       | 391,367      | 451,954      |
| u Fuel Factor Revenue                        | \$         | -            | -              | 58,607            | 50,648          | 55,779           | 66,623           | 71,292          | 61,321           | 62,179        | 50,845        | 53,108       | 61,330       |
| v Total Revenues through PCA                 | \$         | 586,203      | 541,165        | 490,497           | 423,881         | 466,827          | 557,582          | 596,662         | 513,206          | 520,391       | 425,535       | 444,475      | 513,284      |
| w Difference of Collection vs Expense        | \$         | \$ 7,797,564 | \$ 7,915,001   | \$ 8,012,698      | \$ 8,077,441    | \$ 8,179,559     | \$ 8,330,249     | \$ 8,468,902    | \$ 8,549,186     | \$ 8,666,062  | \$ 8,737,272  | \$ 8,819,311 | \$ 8,968,574 |
| Over collect / (Under Collect) in each month |            | \$132,396.58 | \$117,437.30   | \$97,697.17       | \$64,742.38     | \$102,118.47     | \$150,689.73     | \$138,652.98    | \$80,284.43      | \$116,875.67  | \$71,209.81   | \$82,039.12  | \$149,262.61 |
| RSF Balance at CMEEC                         |            | 3,714,095.12 | 3,691,296.07   | 3,680,550.78      | 3,651,578.64    | 3,650,487.79     | 3,677,903.48     | 3,684,642.33    | 3,651,463.66     | 3,653,287.68  | 3,630,417.30  | 3,614,188.81 | 3,649,971.21 |
| Diff between Billed Rate and Actual Cost     | \$         | (0.00301)    | (0.00381)      | (0.00225)         | (0.00702)       | (0.00024)        | 0.00505          | 0.00116         | (0.00664)        | 0.00036       | (0.00552)     | (0.00375)    | 0.00716      |
| Affect on RSF - by Month                     | \$         | (19,510.88)  | (22,799.06)    | (10,745.29)       | (28,972.14)     | (1,090.85)       | 27,415.69        | 6,738.85        | (33,178.67)      | 1,824.03      | (22,870.39)   | (16,228.49)  | 35,782.40    |

Rate Stabilization Balance - 5 Year Forecast



June 2020



## Third Taxing District

2 Second Street  
East Norwalk, CT 06855

Tel: (203) 866-9271

Fax: (203) 866-9856

### Memorandum

**To:** TTD Commissioners

**From:** Kevin Barber – General Manager

**Date:** July 23, 2020

**Subject:** 2019 CMEEC Excess Equity Distribution

On Thursday, July 23, 2020, the CMEEC Member Delegation voted unanimously to distribute the 2019 Distribution Eligible Equity to the member utilities. The total equity distribution for 2019 is \$7,867,126 of which TTD's portion is \$362,951.

The CMEEC Membership Agreement, Section 7.5 Use of Distributions, provides the following options for the distribution of eligible equity:

- Leave all or part of distribution in Equity
- Apply all or part to the Municipal Trust
- Apply all or part to the Rate Stabilization Funds (RSF)
- Apply all or part as an offset to an invoice
- All or part as a direct cash payment

After reviewing the options for the equity distribution, I have narrowed the choices to the following three options:

- Apply the Equity Distribution to the Rate Stabilization Fund (RSF).
  - Pro: The yield on the RSF has averaged approximately 1.5% over the past six months. Easy access to funds with no board approval required.
  - Con: RSF balance currently exceeds the Commission approved target balance by more than \$700,000
- Receive as a direct cash payment for deposit into TTD's Capital Improvement Investment account
  - Pro: The yield on this account has the potential to be higher than the Rate Stabilization Fund or TTD's operating account.

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#### *District Commissioners*

**Johnnie Mae Weldon** 203-216-2652  
**Pamela Parkington** 203-858-4261  
**Michele Sweeney** 203-820-3107

Chairperson  
Commissioner  
Commissioner

**Kevin Barber** 203-866-9271  
**Ron Scofield** 203-866-9271  
**Read Auerbach** 203-451-7047

General Manager  
Assistant General Manager  
Treasurer

- Con: Yield has been very volatile due to the current pandemic and status of the financial markets.
- Receive as a direct cash payment for deposit into TTD's Operating accounts
  - Pro: Easy access to funds. Funds are held at a local financial institution.
  - Con: Yield is less than 1% at current interest levels

My recommendation is to receive the full distribution of equity available to TTD and deposit the entire amount in TTD's Rate Stabilization Fund (RSF) held at CMEEC. This will provide TTD with the ability to continue providing the reduced power cost adjustment (PCA) to our customers during these difficult times, should the Commission decide this is an appropriate use of the funds.

Please let me know if you have any questions.

**\*\* COMMISSIONER \_\_\_\_\_ MOVED TO DIRECT KEVIN BARBER,  
GENERAL MANAGER, TO TAKE THE GROSS CMEEC EQUITY DISTRIBUTION IN  
THE AMOUNT OF 362,951 AND DEPOSIT IT INTO THIRD TAXING DISTRICT'S  
RATE STABILIZATION FUND HELD AT CMEEC.**

**\*\* COMMISSIONER \_\_\_\_\_ SECONDED.**